

Beverly Rich

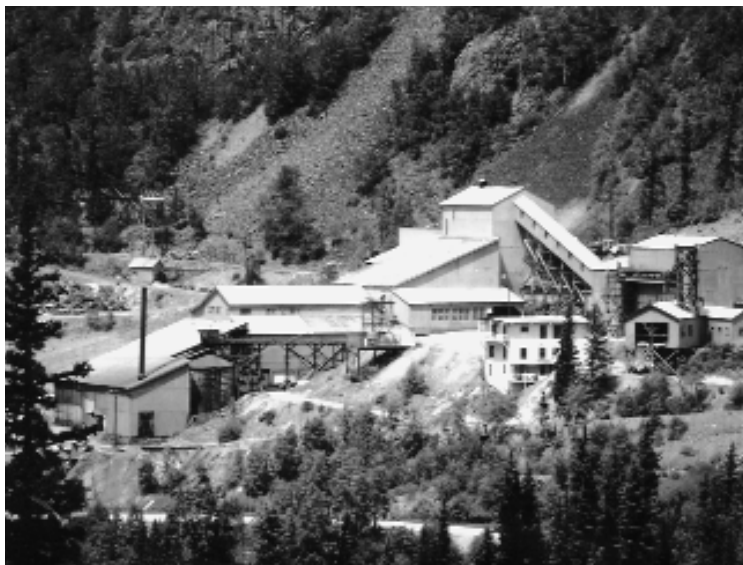
## The Mayflower Mill Reclamation and Re-use

**A**fter negotiating a legal maze relating to reclamation and liabilities, the Mayflower Mill faces the future as an excellent example of flotation milling, one preserved for educational purposes.

Located at 9,360 feet in the rugged and spectacular San Juan Mountains of southwestern Colorado is Silverton, a National Historic Landmark. Many of the elegant Victorian structures built here at the turn-of-the-century are being carefully preserved, providing a rare opportunity for the thousands of tourists who arrive on the Durango & Silverton Narrow Gauge Railroad to experience the history of the “mining camp that never quit.”

San Juan County was once a major gold and silver mining area, bustling with four railroads that transported the rich ores from the high mountain camps. Through most of the last century, mining has played a major economic role, providing high-paying steady jobs, and stability for the region. But in 1991, the gold mining era ended when the 125-year-old Sunnyside Mine, the last large commercial mine in San Juan County, ceased operations. Low base-metal prices and diminishing gold and silver reserves forced the great mine to close. In its colorful lifetime over 900,000 ounces of gold were produced as well as, millions of ounces of silver and tons of base metals.

*The Mayflower Mill produced more than 1.3 million ounces of gold from the Shenandoah-Dives and Sunnyside Mines. The Mill is now administered as a historic property by the San Juan County Historical Society.*



Sunnyside Gold Corporation, the mine's operator, immediately commenced implementation of the 10.5 million-dollar reclamation plan required by its mining permit, which included sealing the mine with concrete plugs to stop mine drainage. However, the permit also required that the historic Mayflower Mill be torn down and the site reclaimed.

Once the West had hundreds of precious metals mills. Now only a handful remain and most are in various stages of ruin. The Mayflower Mill (also known as the Shenandoah Mill) was the last major accomplishment of Charles A. Chase, a metallurgist and successful mining man. Due to the depression in the 1930s, most mining companies throughout the West demolished mills and other mine-related structures to reduce tax and insurance liabilities. But Chase gambled that base metals—lead, copper and zinc—could carry the overall cost of operation with a little profit coming from gold and silver recovery. To improve productivity and processing efficiencies, Chase designed the newest, most modern mill ever. The Mayflower Mill also incorporated new environmental processes. Instead of dumping waste rock into the rivers as had been historically done, Chase pioneered holding, or tailings, ponds to contain waste material.

Over the years, the mill was operated by a number of owners, including the Shenandoah Mining Company from 1929-1952. Not all ran smoothly. In 1939, the Shenandoah Mining Company was the target of a bitter strike by Silverton Miners Union-CIO, Local #26. Congress had just passed the “Wages-Hours” Act, which called for overtime to be paid for any hours worked in a week beyond 48. Chase reacted by cutting the base wage to compensate and the miners struck. The Mayflower Mill was the picket site. It was the Depression and the mining industry was in severe decline. At first the Union had strong support from the ranks, but as time dragged on and paychecks didn't arrive, the men started to worry. There were no jobs anywhere else. On the night of August 28, 1939, a meeting was held at the Union Hall. Outside a mob had formed. A fight broke out, blows were exchanged, and the Union leaders were escorted from town for their own safety. Agitators dissolved the Miner's Union, and the strike was broken. Charges were filed with the National Labor Relations Board against Shenandoah and ironically, after 10 years in the courts, the company was convicted of unfair labor practices.

Because of its almost continuous use since it was built, the Mayflower Mill has always been kept in good repair. Although it was modified three times, the original interior machinery remains intact and the exterior configuration is the same as

when constructed. The mill was connected with the Shenandoah Mine across the Animas River canyon by a 10,000-foot aerial tram, the only tram constructed with metal towers in the San Juans. Using gravity for power, the tram carried the ore from the mine down to the mill, where it was crushed and processed using the flotation process, a system by which the ores are mixed with chemical reagents causing them to separate from each other and be “floated” off. All of the machinery remains as it was in August 1991, when the final whistle sounded and the mill closed forever. In 1994, the mill and the ponds were placed on the National Register of Historic Places.

Because of its significance to San Juan County, the San Juan County Historical Society approached Sunnyside Gold Corporation and suggested the company donate the Mayflower Mill to the historical society. After four years of negotiations, the proposed donation was accomplished in 1996, the deed was recorded, and the property transferred to the San Juan County Historical Society. The Historical Society was happy because it had preserved a nationally important property, the company was happy because of the favorable publicity, and the whole town was delighted because one of the last remaining pieces of its heritage had been saved. An apparent fairytale ending, but in the real world it is never that easy.

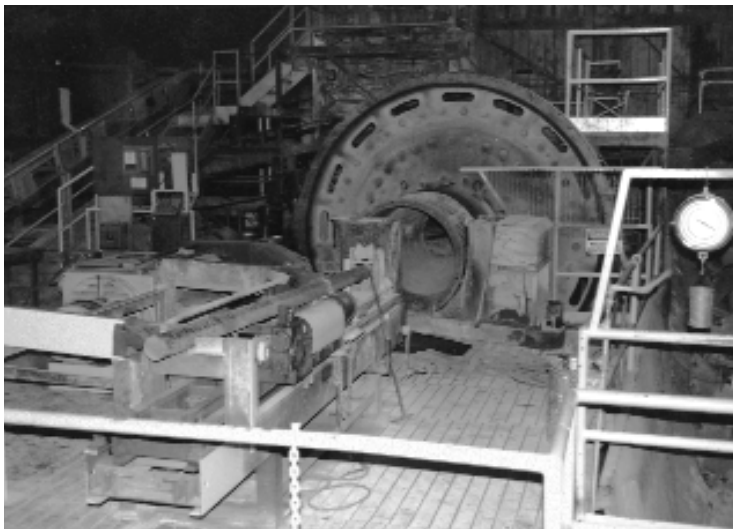
After the preliminary discussions, both parties realized that many things had to happen. First, the Sunnyside Gold Corporation would have to amend its reclamation permit. Accomplishing this administrative task required going through the gauntlet of public agencies entrusted with that decision-making process, as well as a series of public hearings. Equally daunting was the reality that the Society had to research in detail all possible liabilities involved in taking possession of a former industrial site, albeit a historic one. Due

diligence for the San Juan County Historical Society’s final decision had to be provided to our membership. Most of the Historical Society’s Board of Directors had been involved one way or another in the mining industry. We knew that the mill could potentially be declared a hazardous waste site. Certainly, any operation that processed chemical separation of metals for a period of 60 years, many of those years before modern environmental standards were imposed, possessed a high potential for such classification. In fact, the property had been listed by the Comprehensive Environmental Response, Compensation and Liability Act, administered by the Environmental Protection Agency. Were we putting the Society’s assets (museum and archive) at risk? Second, were we risking any personal liability for the Board and/or our membership? Federal laws state that four classes of owners face cleanup liability: current owners, owner or operator at the time of operation, persons who arranged for treatment or disposal of hazardous substances at the property, and persons who transported hazardous substances to the property. The only “innocent” owner is one that can prove that he/she inherited the property and had no link to any hazardous substances on the property and no knowledge they might exist on the property. In other words, the way the law reads now, anyone in the title chain might be liable whether or not they had anything to do with any contamination that may be present.

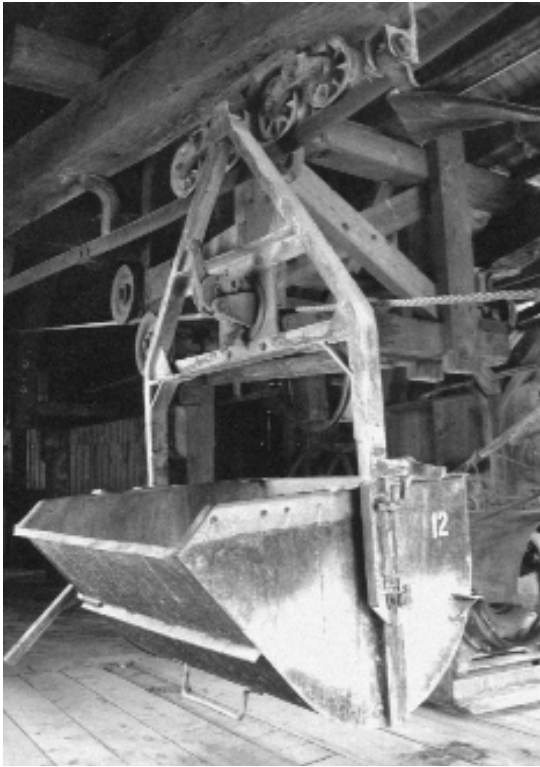
Conversely, we also knew that the Sunnyside Gold Corporation was implementing a highly respected 10.5 million-dollar reclamation program. We also knew that Sunnyside could not have its reclamation plan amendment receive approval to give us the Mayflower Mill, or be released from that part of its bond without a thorough cleanup and reclamation of its property. In fact, successful reclamation of the Mayflower Mill property was a critical component of their conditions for donation. The San Juan County Historical Society hired one of the best water law firms in Colorado to help us research our options and calculate our risks. This firm worked *pro bono*, donating much of its work to the Society. Extensive legal research indicated that there were certain laws that protected volunteer Boards of Directors from personal liability in cases like these, when due diligence is performed and where there was no “willful and wanton” activity involved.

At first, the proposed donation included the tailings ponds. However, after careful review, the Historical Society decided not to accept them. This decision was reached mostly because it would be beyond our ability, as a small group of volunteers, to maintain the site, even though the ponds had been thoroughly re-contoured and reclaimed (so

Rod Mill located within the Mayflower Mill.



Ore bucket located within the tramway terminl at the Mayflower Mill.



much so, that they were identified as non-contributing on the National Register nomination form).

Several approaches were used to help the Historical Society become legally and environmentally educated. Members inspected the sites within the proposed 80 acres of donated property in order to monitor the reclamation efforts. Sunnyside Gold Corporation was very forthcoming and provided access to reports, plans, and historical papers that pertained to the donated property. We also requested pertinent information from the Division of Minerals and Geology, the Colorado Department of Health, and the Environmental Protection Agency. The Historical Society also sought professional counsel and guidance from friends in both the mining industry and the preservation community.

The Society knew that it realistically could not expect to successfully take on a project of this magnitude with its existing limited finances. Understanding the economic situation, the Sunnyside Gold Corporation also included an endowment of \$120,000 with its donation. In addition, Sunnyside, a wholly owned subsidiary of Echo Bay Mines, Ltd., has been exceedingly generous with donations of mining equipment, which have further enhanced the Historical Society's already outstanding collection.

In 1995, the San Juan County Historical Society was finally able to sit down at a meeting

and propose a formal motion to accept the Mayflower Mill, confident that we had explored every avenue, and that the building was important enough to the history of San Juan County that it was worth taking what we deemed a "marginal" risk to save it. Later that summer, the Durango office of the Division of Minerals and Geology examined the site in detail and pronounced it clean. In the fall, Sunnyside's permit was successfully amended to allow the transfer. In June 1996, Silverton commemorated the donation with a gala celebration featuring tours, the famous Silverton Brass Band, and a community barbecue.

Concurrently with the aforementioned negotiations, the Historical Society also pursued an *Agreement and Covenant Not to Sue* with the Environmental Protection Agency. This agreement, eventually signed in 1996, was advertised in the Federal Register and concurred with by the Judicial Department. As one of our Board members said: "This donation has been all the way to Washington D. C. and back!" *The Agreement and Covenant Not to Sue* was almost unprecedented at the time. However, similar agreements are becoming more common as large industrial sites lie vacant, unused, and not sellable because possible hazardous waste problems may exist at the site. Our agreement, initiated and handled very ably by the EPA's Denver office, holds the Historical Society harmless for any possible contamination on the Mayflower Mill site, which occurred before we took ownership; "holds harmless"—two very important words. The agreement requires that the Historical Society use the property for our stated use: preservation, tours and education. It does not unduly restrict the Historical Society from using this property "for any lawful purposes." It also does not hold the Society harmless for any contamination that it might be responsible for after we took ownership. The agreement also indemnifies the federal government against any lawsuit that the San Juan County Historical Society might bring against it. The Environmental Protection Agency decided in the Mayflower Mill situation that there was "substantial public benefit" and hence, sufficient cause for its agreement.

After spending most of 1996 in development, the San Juan County Historical Society opened the Mayflower Gold Mill Tour on May 15, 1997. With owners so committed to preservation, the future of the old mill seems assured.

---

*Beverly Rich, life-long resident of Silverton, Colorado, is the Chairman of the San Juan County Historical Society and the San Juan County Treasurer.*